Chapter 6

Operating duties and responsibilities

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6.3 Valuation and pricing

Application

6.3.1 R

(1) Subject to (3) and (4), this section applies to an *authorised fund manager*, a *depositary*, an *ICVC* and any other *director* of an *ICVC*.

(2) COLL 6.3.3A R to COLL 6.3.3D R (Accounting procedures):

(a) apply to:

(i) a *UK UCITS management company* providing *collective portfolio management* services for an *EEA UCITS scheme* from a *branch* in another *EEA State* or under the freedom to provide *cross border services*; and

(ii) an *EEA UCITS management company* providing *collective portfolio management* services for a *UCITS scheme* from a *branch* in the *United Kingdom*;

in addition to applying in accordance with (1); but

(b) do not apply to an *EEA UCITS management company* providing *collective portfolio management* services for a *UCITS scheme* under the freedom to provide *cross border services*.

(3) The following *rules* and *guidance* do not apply to an *authorised fund manager*, a *depositary*, an *ICVC*, or any other director of an *ICVC* where the *authorised fund* is a *regulated money market fund*:

(a) COLL 6.3.3R;

(b) COLL 6.3.3DR;

(c) COLL 6.3.4R(1) and (3) to (6D);

(d) COLL 6.3.5R; and

(e) COLL 6.3.5AR to COLL 6.3.5CG.

(4) Where an *authorised fund* is a *regulated money market fund*, COLL 6.3.6G applies to the *authorised fund manager* and *depositary* of that *authorised fund* to the extent it is consistent with the requirements of the *Money Market Funds Regulation*.

Purpose

6.3.2 G

(1) In accordance with *Principle* 6, this section is intended to ensure that the *authorised fund manager* pays due regard to its *clients*' interests and treats them fairly.

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(2) An *authorised fund manager* is responsible for valuing the *scheme property* of the *authorised fund* it manages and for calculating the *price* of *units* in the *authorised fund*. This section protects *clients* by:

(a) setting out *rules* and *guidance* to ensure the *prices* of *units* in both a *single-priced authorised fund* and a *dual-priced authorised fund* are calculated fairly and regularly;

(b) allowing the *authorised fund manager* to mitigate the effects of any *dilution* (reduction) in the value of the *scheme property* caused by buying and selling underlying investments as a result of the *issue* or *cancellation* of *units*; and

(c) [deleted]

(d) ensuring that *prices* are made public in an appropriate manner.

(3) The requirements in this section are to be applied separately to each *sub-fund* of a *scheme* which is an *umbrella*, and, if appropriate, the currency of a *sub-fund* may be used instead of the *base currency* of the *umbrella*. Consequently different methods of *pricing units* may be applied by an *authorised fund manager* to different *sub-funds* of an *umbrella*.

(4) The *authorised fund manager* must follow the same method of *pricing* for each *class* of *units* in an *authorised fund*, or in a *sub-fund* of an *umbrella*.

(5) A *full-scope UK AIFM* that is the *authorised fund manager* of a *non-UCITS retail scheme* should comply with the requirements of:

(a) FUND 3.9 (Valuation); and

(b) this chapter.

Valuation

6.3.3 **R**

(1) To determine the *price* of *units* the *authorised fund manager* must carry out a fair and accurate valuation of all the *scheme property* in accordance with the *instrument constituting the fund* and the *prospectus*.

(2) For a *dual-priced authorised fund*, each valuation of the *scheme property* must consist of two parts, carried out on an *issue* basis and a *cancellation* basis respectively.

Accounting procedures

6.3.3A **R**

(1) An *authorised fund manager* of a *UCITS scheme* or a *UK UCITS management company* of an *EEA UCITS scheme* must ensure the employment of the accounting policies and procedures referred to in SYSC 4.1.9 R (Accounting policies), so as to ensure the protection of *unitholders*.

(2) Accounting for the *scheme* shall be carried out in such a way that all assets and liabilities of the *scheme* can be directly identified at all times.

(3) If the *scheme* is an *umbrella*, separate accounts must be maintained for each *sub-fund*.

[**Note:** article 8(1) of the *UCITS implementing Directive*]

6.3.3B R An *authorised fund manager* of a *UCITS scheme* or a *UK UCITS management company* of an *EEA UCITS scheme* must have accounting policies and procedures established, implemented and maintained, in accordance with the accounting rules of the *UCITS Home State*, so as to ensure that the calculation of the net asset value of each *scheme* it manages is accurately effected, on the basis of the accounting, and that subscription and *redemption* orders can be properly executed at that net asset value.

[**Note:** article 8(2) of the *UCITS implementing Directive*]

6.3.3C G (1) The accounting policies and procedures referred to in COLL 6.3.3B R should enable the *authorised fund manager* of a *UCITS scheme* to value the *scheme property* accurately at each *valuation point* and to calculate *dealing prices* by reference to that valuation.

(2) Where different share or *unit classes* exist, it should be possible to extract from the accounting records the net asset value of each different *class*.

[**Note:** recital (9) of the *UCITS implementing Directive*]

6.3.3D R An *authorised fund manager* of a *UCITS scheme* or a *UK UCITS management company* of an *EEA UCITS scheme* must establish appropriate procedures to ensure the proper and accurate valuation of the assets and liabilities of each *scheme* it manages.

[**Note:** article 8(3) of the *UCITS implementing Directive*]

Valuation points

6.3.4 R (1) An *authorised fund* must not have fewer than two regular *valuation points* in any *month* and if there are only two *valuation points* in any *month*, the regular *valuation points* must be at least two weeks apart.

(2) The *prospectus* of a *scheme* must contain information about its regular *valuation points* for the purposes of *dealing* in *units* in accordance with COLL 4.2.5R (16) (Table: contents of the prospectus).

(3) Where a *scheme* operates *limited redemption arrangements*, (1) does not apply and the *valuation points* must be stated in the *prospectus* but must not be set more than six *months* apart.

(4) Where a *scheme* operates *limited redemption arrangements*, it must be valued and *prices* published in the manner set out in COLL 6.3.11 R (Publication of prices) at least once in every *month*.

(5) In (4), a *valuation point* for the purpose of publishing *prices* only, does not make it a *valuation point* for the purpose of (2) unless it is disclosed as such in the *prospectus*.

(6) *Higher volatility funds* must have at least one *valuation point* every *business day* except where the *scheme* is a *non-UCITS retail scheme* operating as a *FAIF*.

(6A) *Qualifying money market funds* must have at least one *valuation point* every *business day* at which the valuation is carried out on an amortised cost basis.

(6B) [deleted]

(6C) [deleted]

(6D) [deleted]

(7) No *valuation points* are required during the period of any *initial offer*.

(8) The *authorised fund manager* may determine to have an additional *valuation point* for an *authorised fund*, in which case itmust inform the *depositary*.

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Price of a unit

6.3.5 R

(1) An *authorised fund manager* must ensure that the *price* of a *unit* of any *class* is calculated:

(a) by reference to the net value of the *scheme property*; and

(b) in accordance with the provisions of both the *instrument constituting the fund* and the *prospectus*.

(2) Any *unit price* calculated in accordance with (1) must be expressed in a form that is accurate to at least four significant figures.

(3) For each *class* of *units* in a *single-priced authorised fund*, a single *price* must be calculated at which *units* are to be *issued* and *cancelled*.

Sale and redemption prices for single-priced authorised funds

6.3.5A R

The *authorised fund manager* of a *single-priced authorised fund* must not:

(1) *sell* a *unit* for more than the *price* of a *unit* of the relevant *class* at the relevant *valuation point*, to which may be added any *preliminary charge* permitted and any payment made under COLL 6.3.8 R; or

(2) *redeem* a *unit* for less than the *price* of a *unit* of the relevant *class* at the relevant *valuation point*, less any *redemption charge* permitted and any deduction under COLL 6.3.8 R.

Sale and redemption price parameters for dual-priced authorised funds

6.3.5B R

(1) The *authorised fund manager* of a *dual-priced authorised fund* must not:

(a) *sell* a *unit* for more than the maximum *sale price* of a *unit* of the relevant *class* at the relevant *valuation point*; or

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(b) *redeem* a *unit* for less than the *cancellation price* of a *unit* of the relevant *class* at the relevant *valuation point*, less any *redemption charge* permitted.

(2) The maximum *sale price* of *units* under (1)(a) is the total of:

(a) the *issue price*; and

(b) the current *preliminary charge*.

(3) The *sale price* of *units* under (1)(a) must not be less than the relevant *redemption price* under (1)(b).

(4) The *redemption price* under (1)(b) must not exceed the relevant *issue price* of the relevant *units*.

(5) Subject to ■ COLL 6.7.9 R (Charges for the exchange of units in an umbrella), in the case of an *umbrella*:

(a) the maximum *price* at which *units* in one *sub-fund* that is a *dual-priced authorised fund* may be acquired in exchange for *units* in another *sub-fund* must not exceed the relevant maximum *sale price* (less any *preliminary charge*) of the new *units*; and

(b) the minimum *price* at which the old *units* in a *sub-fund* that is a *dual-priced authorised fund* may be taken in exchange must not be less than the equivalent *cancellation price*.

6.3.5C G The *prospectus* may make provision for *large deals* to be carried out at a higher *sale price* or a lower *redemption price* than those published, provided they do not exceed the relevant maximum and minimum parameters.

Profits from dealing as principal

6.3.5D R (1) Where an *authorised fund manager* (*AFM*):

(a) accepts instructions to *sell* and *redeem units* as *principal*; and

(b) is able to execute a *sale* instruction by *selling units* it has *redeemed* at the same *valuation point*, without placing its own capital at risk,

subject to (2), the *AFM* must not retain for its own account, or the account of any of its *associates*, the difference between the *price* at which a *unit* was *redeemed* (before deduction of any *redemption charge*) and the *price* at which the same *unit* was sold (after deduction of any *preliminary charge*). Any such difference must be allocated in a way that is fair to *unitholders*.

(2) In calculating the profit arising under (1), the *AFM* may offset any loss it incurs at the same *valuation point*, calculated in accordance with (3) below, when dealing as *principal* in relation to:

(a) a *unit issued* at that *valuation point* to fulfil a *sale* instruction that cannot be matched against any *redeemed unit* or any other *unit* of that *class* held by the *manager* as *principal*; and

(b) a *unit redeemed* and *cancelled* at that *valuation point*.

(3) The amount of the loss referred to in (2) is:

(a) for *units issued* in accordance with (2)(a), the difference between the *issue price* of a *unit* and the *sale price* of that *unit*, less any *preliminary charge*;

(b) for *units cancelled* in accordance with (2)(b), the difference between the *cancellation price* of a unit and the *redemption price* of that *unit*, before any *redemption charge* is applied.

(4) Where any loss arising under (2) is greater than any profit arising under (1), that loss cannot be offset against any profit arising at a subsequent *valuation point*.

(5) This *rule* applies to the *redemption* and *sale* of *units* of different *classes* at the same *valuation point*, if those *classes* are treated as one for the purpose of ■ COLL 6.2.6AR.

6.3.5E G

(1) The *authorised fund manager* may commit its own capital to hold *units* for the purpose of *dealing* as *principal* and may seek to profit from gains in the value of the *units* it holds, when it *issues* or *redeems units* at one *valuation point* then *sells* or *cancels* them at a later *valuation point*. However, it should not profit from situations in which it is not exposed to an equal risk of loss if the *units* fall in value, or from the ability to match simultaneous *sales* and *redemptions* at different *prices* at no risk to its own capital.

(2) The *AFM* may allocate any amount arising under ■ COLL 6.3.5DR(1) in the interests of investors by paying it into *scheme property* for the benefit of all *unitholders*. Alternatively, the *AFM* may redistribute it individually among the transacting investors.

(3) Where the *AFM* intends to allocate a payment to *scheme property*, it should determine if the amount (when added to any other amounts of the same kind relating to that *class* of *units*) would, if taken into account in the *scheme's* valuation, affect the accuracy of the *unit prices* to four significant figures. If so, and subject to (4) below, the amount should be accrued in each subsequent valuation of the *scheme* until the payment is transferred. Such payments into *scheme property* should be made regularly and no less frequently than payments for the *AFM's* management charge are transferred out of *scheme property*.

(4) The calculation to be performed under ■ COLL 6.3.5DR should be carried out in relation to each *valuation point* of the *scheme* on a timely basis. Where it is not practical to do this before *unit prices* are calculated and published, the *AFM* should ensure that the accrual represents a reasonable estimate of the total payment it intends to make to *scheme property*.

Valuation and pricing guidance

6.3.6 G Table: This table belongs to ■ COLL 6.3.2 G (2) (a) and ■ COLL 6.3.3 R (Valuation).

Valuation and pricing		
1	**The valuation of scheme property**	
	(1)	Where possible, *investments* should be valued using a reputable source. The reliability of the source of prices should be kept under regular review.

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(2) For some or all of the *investments* comprising the *scheme property*, different prices may quoted according to whether they are being bought (*offer prices*) or sold (*bid prices*). The valuation of a *single-priced authorised fund* should reflect the mid-market value of such *investments*. In the case of a *dual-priced authorised fund*, the *issue* basis of the valuation will be carried out by reference to the *offer prices* of *investments* and the *cancellation* basis by reference to the *bid prices* of those same *investments*. The *prospectus* should explain how *investments* will be valued for which a single *price* is quoted for both buying and *selling*.

(2A) *Schemes* investing in *approved money-market instruments*should value such instruments on an amortised cost basis on condition that:
(a) the *approved money-market instrument* has a residual maturity of less than three months and has no specific sensitivity to market parameters, including credit risk; or
(b) the *scheme* is a *qualifying money market fund*.

[**Note:** *CESR*'s *UCITS eligible assets guidelines* with respect to article 4(2) of the *UCITS eligible assets Directive*]

(2B) [deleted]

(3) Any part of the *scheme property* of an *authorised fund* that is not an *investment* should be valued at a fair value, but for immovables this is subject to COLL 5.6.20 R (3) (f) (Standing independent valuer and valuation).

(4) For the purposes of (2) and (3), any fiscal charges, commissions, professional fees or other charges that were paid, or would be payable on acquiring or disposing of the *investment* or other part of the *scheme property* should, in the case of a *single-priced authorised fund*, be excluded from the value of an *investment* or other part of the *scheme property*. In the case of a *dual-priced authorised fund*, any such payments should be added to the *issue* basis of the valuation, or subtracted from the *cancellation* basis of the valuation, as appropriate. Alternatively, the *prospectus* of a *dual-priced authorised fund* may prescribe any other method of calculating *unit prices* that ensures an equivalent treatment of the effect of these payments.

(5) Where the *authorised fund manager* has reasonable grounds to believe that:
(a) no reliable price exists for a *security* at a *valuation point*; or
(b) the most recent price available does not reflect the *authorised fund manager's* best estimate of the value of a *security* at the *valuation point*
it should value an *investment* at a price which, in its opinion, reflects a fair and reasonable price for that *investment* (the fair value price);

(6) The circumstances which may give rise to a fair value price being used include:
(a) no recent trade in the *security* concerned; or
(b) the occurrence of a significant event since the most recent closure of the market where the price of the *security* is taken.

In (b), a significant event is one that means the most recent price of a *security* or a basket of *securities* is materially different to the price that it is reasonably believed would exist at the *valuation point* had the relevant market been open.

(7) In determining whether to use such a fair value price , the *authorised fund manager* should include in his consideration:
(a) the type of *authorised fund* concerned;
(b) the *securities* involved;
(c) the basis and reliability of the alternative price used; and
(d) the *authorised fund manager's* policy on the valuation of *scheme property* as disclosed in the *prospectus*.

(7A) Where the *authorised fund manager*, the *depositary* or the *standing independent valuer* have reasonable grounds to believe that the most recent valuation of an immovable does not reflect the current value of that immovable, the *authorised fund manager* should consult and agree with the *standing independent valuer* a fair and reasonable value for the immovable.

(8) The *authorised fund manager* should document the basis of valuation (including any fair value pricing policy) and, where appropriate, the basis of any methodology and ensure that the procedures are applied consistently and fairly.

(9) Where a *unit price* is determined using properly applied fair value prices in accordance with policies in (8), subsequent information that indicates the *price* should have been different from that calculated will not normally give rise to an instance of incorrect pricing.

2 The pricing controls of the authorised fund manager

(1) An *authorised fund manager* needs to be able to demonstrate that it has effective controls over its calculations of *unit prices*.

(2) The controls referred to in (1) should ensure that:
(a) asset prices are accurate and up to date;
(b) investment transactions are accurately and promptly reflected in valuations;
(c) the components of the valuation (including stock, cash, and *units* in *issue*), are regularly reconciled to their source or prime records and any reconciling items resolved promptly and debtors reviewed for recoverability;
(d) the sources of prices not obtained from the main pricing source are recorded and regularly reviewed;
(e) compliance with the investment and borrowing powers is regularly reviewed;
(f) dividends are accounted for as soon as *securities* are quoted ex-dividend (unless it is prudent to account for them on receipt):
(g) fixed interest dividends, interest and expenses are accrued at each *valuation point*;
(h) tax positions are regularly reviewed and adjusted, if necessary;
(i) reasonable tolerances are set for movements in the key elements of a valuation and movements outside these tolerances are investigated;

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(j) the fund manager regularly reviews the portfolio valuation for accuracy; and
(k) the valuation of *OTC derivatives* is accurate and up to date and in compliance with the methods agreed with the *depositary*.

(3) In exercising its pricing controls, the *authorised fund manager* may exercise reasonable discretion in determining the appropriate frequency of the operation of the controls and may choose a longer interval, if appropriate, given the level of activity on the *authorised fund*or the materiality of any effect on the *price*.

(4) Evidence of the exercise of the pricing controls should be retained.

(5) Evidence of persistent or repetitive errors in relation to these matters, and in particular any evidence of a pattern of errors working in an *authorised fund manager*'s favour, will make demonstrating effective controls more difficult.

(6) Where the *pricing*function is delegated to a third party, COLL 6.6.15 R (1) (Committees and delegation) will apply.

3 The depositary's review of the authorised fund manager's systems and controls

(1) This section provides details of the types of checks a *depositary* should carry out to be satisfied that the *authorised fund manager* adopts systems and controls which are appropriate to ensure that *prices* of *units* are calculated in accordance with this section and to ensure that the likelihood of incorrect *prices* will be minimised. These checks also apply where an *authorised fund manager* has delegated all or some of its *pricing* functions to one or more third parties.

(2) A *depositary* should thoroughly review an *authorised fund manager*'s systems and controls to confirm that they are satisfactory. The *depositary*'s review should include an analysis of the controls in place to determine the extent to which reliance can be placed on them.

(3) A review should be performed when the *depositary* is appointed and thereafter as it feels appropriate given its knowledge of the robustness and the stability of the systems and controls and their operation.

(4) A review should be carried out more frequently where a *depositary* knows or suspects that an *authorised fund manager's* systems and controls are weak or are otherwise unsatisfactory.

(5) Additionally, a *depositary* should from time to time review other aspects of the valuation of the *scheme property* of each *authorised fund* for which it is responsible, verifying, on a sample basis, if necessary, the assets, liabilities, accruals, *units* in *issue*, *securities* prices (and in particular the prices of *OTC derivatives*,unapproved *securities* and the basis for the valuation of unquoted *securities*) and any other relevant matters, for example an accumulation factor or a currency conversion factor.

(6) A *depositary* should ensure that any issues, which are identified in any such review, are properly followed up and resolved.

4	**The recording and reporting of instances of incorrect pricing**	
	(1)	An *authorised fund manager* should record each instance where the *price* of a *unit* is incorrect as soon as the error is discovered, and report the fact to the *depositary* together with details of the action taken, or to be taken, to avoid repetition as soon as practicable.
	(2)	In accordance with COLL 6.6.11 G (Duty to inform the *FCA*), the *depositary* should report any breach of the rules in COLL 6.3 immediately to the *FCA*. However, notification should relate to instances which the *depositary* considers material only.
	(3)	A *depositary* should also report to the *FCA* immediately any instance of incorrect *pricing*where the error is 0.5% or more of the *price* of a *unit*, where a *depositary* believes that reimbursement or payment is inappropriate and should not be paid by an *authorised fund manager*.
	(4)	In accordance with SUP 16.6.8 R, a *depositary* should also make a return to the *FCA* on a quarterly basis which summarises the number of instances of incorrect *pricing* during a particular period.
5	**The rectification of pricing breaches**	
	(1)	COLL 6.6.3R(3)(c) (Functions of the authorised fund manager) places a duty on the *authorised fund manager* to take action to reimburse affected *unitholders*, former *unitholders*, and the *scheme* itself, for instances of incorrect *pricing*, except if it appears to the *depositary* that the breach is of minimal significance.
	(2)	A *depositary* may consider that the instance of incorrect *pricing*is of minimal significance if: (a) the *authorised fund manager* and *depositary* meet the standards of control set out in Section 2 and Section 3 of this Table; and (b) the error in *pricing* of a *unit* is less than 0.5% of the correct *price*.
	(3)	In determining (2), if the instance of incorrect *pricing* is due to one or more factors or exists over a period of time, each *price* should be considered separately.
	(4)	If a *depositary* deems it appropriate, it may, in spite of the circumstances outlined in (2), require a payment from the *authorised fund manager* or from the *authorised fund* to the *unitholders*, former *unitholders*, the *authorised fund* or the *authorised fund manager* (where appropriate).
	(5)	The *depositary* should satisfy itself that any payments required following an instance of incorrect *pricing* are accurately and promptly calculated and paid.
	(6)	If a *depositary* considers that reimbursement or payment is inappropriate, it should report the matter to the *FCA*, together with its recommendation and justification. The *depositary* should take into account the need to avoid prejudice to the rights of *unitholders*, or the rights of *unitholders* in a *class* of *units*.
	(7)	It may not be practicable, or in some cases legally permissible, for the *authorised fund manager* to obtain reimbursement from *unitholders*, where the *unitholders* have benefited from the incorrect *price*.

(8) In all cases where reimbursement or payment is required, amounts due to be reimbursed to *unitholders* for individual sums which are reasonably considered by the *authorised fund manager* and *depositary* to be immaterial, need not normally be paid.

6.3.7 R [deleted]

Dilution

6.3.8 R

(1) Subject to (1A), when arranging to *sell*, redeem, *issue* or cancel *units*, or when *units* are *issued* or cancelled under COLL 6.2.7 R (1) (Issues and cancellations through an authorised fund manager), an *authorised fund manager* is permitted to:

(a) require the payment of a *dilution levy*; or

(b) make a *dilution adjustment*; or

(c) neither require a *dilution levy* nor make a *dilution adjustment*;

in accordance with its statements in the *prospectus* required by COLL 4.2.5R (18) (Table: contents of the prospectus).

(1A) When arranging to *sell*, redeem, *issue* or cancel *units*, or when *units* are *issued* or cancelled under COLL 6.2.7R(1) (Issues and cancellations through an authorised fund manager), an *authorised fund manager* of a *regulated money market fund* may only require payment of a *dilution levy* or make a *dilution adjustment* to the extent it is permissible under the *Money Market Funds Regulation*.

(2) An *authorised fund manager* operating either a *dilution levy* or a *dilution adjustment*, must operate that measure in a fair manner to reduce *dilution* and solely for that purpose.

(3) A *dilution levy* becomes due at the same time as payment or transfer of property becomes due for the *issue*, *sale*, *redemption* or *cancellation* and any such payment in respect of a *dilution levy* must be paid to the *depositary* to become part of *scheme property* as soon as practicable after receipt.

(4) A *dilution adjustment* may be made as part of the calculation of the unit price for the purpose of reducing *dilution* in the *scheme* or to recover any amount which it had already paid or reasonably expects to pay in the future in relation to the *issue* or *cancellation* of *units*.

(5) Where the *authorised fund manager* decides to make or not to make a *dilution adjustment*, it must not do so for the purpose of creating a profit or avoiding a loss for the account of an *affected person*.

(6) As soon as practicable after a *valuation point*, the *authorised fund manager* must provide the *depositary* with the amount or rate of any *dilution adjustment* made to the *price* or any *dilution levy* applied.

Forward pricing

6.3.9 R

(1) Subject to (7), for the *sale* and *redemption* of *units*, all *deals* must be at a *forward price*.

(2) [deleted]

(3) [deleted]

(4) [deleted]

(5) [deleted]

(6) [deleted]

(7) Deals for the *sale* and *redemption* of *units* in a *regulated money market fund* need not be at a *forward price* where the circumstances in article 34(2) of the *Money Market Funds Regulation* apply.

6.3.10 G [deleted]

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Publication of prices

6.3.11 R Where the *authorised fund manager* is prepared to *deal* in *units*, or is willing to *issue* or *cancel units*, under COLL 6.2.7, it must make the *dealingprices* public in an appropriate manner.

Manner of price publication

6.3.12 G (1) In determining the appropriate manner of making *prices* public, the *authorised fund manager* should ensure that:

(a) a *unitholder* or potential *unitholder* can obtain the *prices* at a reasonable cost;

(b) prices are available at reasonable times;

(c) publication is consistent with the manner and frequency at which the *units* are *dealt* in;

(d) the manner of publication is disclosed in the *prospectus*; and

(e) prices are published in a consistent manner.

(2) Examples of what might be deemed appropriate include:

(a) publication in a national newspaper;

(b) supply through an advertised local rate or freephone telephone number;

(c) publication on the internet;

(d) inclusion in a database of *prices* which is publicly available; or

(e) communication to all existing *unitholders*.

(3) The *authorised fund manager* should make previous *prices* available to any *unitholder* or potential *unitholder*.

Maintaining the value of a qualifying money market fund

6.3.13 R The *authorised fund manager* of a *qualifying money market fund* valuing *scheme* property on an amortised cost basis must:

(1) carry out a valuation of the *scheme property* on a mark to market basis at least once every week and at the same *valuation point* used to value the *scheme property* on an amortised cost basis; and

(2) ensure that the value of the *scheme property* when valued on a mark to market basis does not differ by more than 0.5% from the value of the *scheme property* when valued on an amortised cost basis.

6.3.14 G The *authorised fund manager* should advise the *depositary* when the mark to market value of a *qualifying money market fund* valuing *scheme* property on an amortised cost basis varies from its amortised cost value by 0.1%, 0.2% and 0.3% respectively. The *authorised fund manager* of a *qualifying money market fund* should agree procedures with the *depositary* designed to stabilise the value of the *scheme* in these events.